

CRR ASSESSMENT
ECONOMIC MASTER ISSUER PLC
Issue of Series 2020-1, Class A1 and A2



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

31st July 2020

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It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

31st July 2020

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Prime Collateralised Securities (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	31 July 2020
The transaction to be verified (the “Transaction”)	ECONOMIC MASTER ISSUER PLC, Issue of Series 2020-1, Class A1 and A2
Issuer	ECONOMIC MASTER ISSUER PLC
Originator	Coventry Building Society
Arranger(s)	HSBC Bank plc, Lloyds Bank Corporate Markets plc
Lead Manager(s)	HSBC Bank plc, Lloyds Bank Corporate Markets plc
Transaction Legal Counsel	Dentons UK and Middle East LLP
Rating Agencies	Fitch, Moody’s
Stock Exchange	London Stock Exchange
Closing Date	31 July 2020

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
<p>Article 243</p> <p>2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:</p>				
<p>(a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.</p>	<p>1. (a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be</p>	<p>See Final Terms</p> <p>At the Closing Date and at any point thereafter the exposure to a single obligor will not exceed 2 per cent. of the pool as required by Article 243(2)(a) of the CRR.</p>	<p>Aggregate exposure to a single obligor does not exceed 2% of the pool.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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	considered as exposures to a single obligor.			
<p>In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);</p>	<p>In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);</p>			<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>
<p>(b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:</p> <p>(i) 40 % on an exposure value-weighted average</p>	<p>2. (b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:</p> <p>(i) 40 % on an exposure value-weighted average</p>	<p>See Prospectus, <i>ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY</i>. Representations and Warranties (nn) as at the relevant Assignment Date, the Mortgage Loans are classified as secured by residential mortgages or fully guaranteed</p>	<p>2(b)(i) applies. The underlying exposures meet the conditions for being assigned a risk weighting equal to or smaller than 40%.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p>

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<p>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (e) of Article 129(1);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p>	<p>basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in <i>point</i> (e) of Article 129(1);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p>	<p>residential loans as per Article 129(1)(e) of the CRR and under the Standardised Approach, the Mortgage Portfolio has a risk weight equal to or smaller than 40 per cent;</p>		
<p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>	<p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure;</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis;</p>			
<p>(c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on</p>	<p>3. (c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on</p>	<p>See Prospectus, <i>ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY</i>. Representations and warranties</p>	<p>All of the Mortgages are secured by first ranking mortgages.</p>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

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that asset are also included in the securitisation;	that asset are also included in the securitisation;	(e) subject to completion of any registration or recording which may be pending at HM Land Registry and the Registers of Scotland, each Mortgage Loan is secured by a Mortgage that either constitutes, or will constitute, following registration or recording at HM Land Registry (in England and Wales) a first ranking charge by way of legal mortgage or the Registers of Scotland (in Scotland) a first ranking standard security existing over the relevant Mortgaged Property;		
(d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point	4. (d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point	See Prospectus, <i>ASSIGNMENT OF THE MORTGAGE LOANS AND RELATED SECURITY</i> . Eligibility Criteria (g) the Mortgage Loan has a current indexed LTV Ratio of no more than 90 per cent.;	No loan in the transaction has a current indexed LTV greater than 100%.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

Legislative text	CRR criteria	Identifying document and checking page reference	Checking comments	Criteria fulfilled Yes / No
(d)(i) of Article 129(1) and Article 229(1).	(d)(i) of Article 129(1) and Article 229(1).			